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BRIEF RELATING TO REFERENCE No. 2

# IRON and STEEL

*Presented to*

ADVISORY BOARD *on*  
TARIFF *and* TAXATION

*By*

DOMINION IRON AND STEEL  
COMPANY LIMITED

National Trust Company Limited  
RECEIVER AND MANAGER

1. Billets Blooms

2. Wire Rods

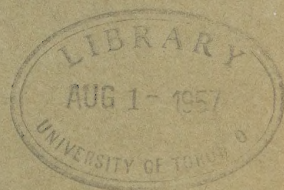
3. Skelp

4. Tin plate bars and

skelp bars

5. Black Skots, Salvaged Skots  
and Tin plate -

NOVEMBER—1928







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*To the*  
ADVISORY BOARD ON TARIFF  
AND TAXATION

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BRIEF

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*Submitted by*  
DOMINION IRON AND STEEL COMPANY LIMITED  
NATIONAL TRUST COMPANY LIMITED,  
RECEIVER AND MANAGER



## I. INTRODUCTION

1. In May, 1926, representations were submitted to the Advisory Board on Tariff and Taxation by the Dominion Iron & Steel Company Limited.

2. On 2nd July, 1926, the Supreme Court of Nova Scotia appointed National Trust Company, Limited, Receiver and Manager of the business of the Dominion Iron & Steel Company, consequent upon the failure of that Company to pay the interest upon its Bonds. The Receiver and Manager as an officer of the Court has studied the condition of the Company's business, the causes which brought about its financial embarrassment resulting in its failure to meet Bond interest, its position as one of the outstanding industries in the Maritime Provinces and the relation borne by the tariff to its present situation and future prospects.

3. Subsequently, <sup>to</sup> the submission made to this Board by the Dominion Iron & Steel Company, in May, 1926, the case of the Dominion Iron & Steel Company, as a Maritime industry, was presented to a Commission on Maritime ~~rights~~ <sup>claims</sup> appointed by the Dominion Government and presided over by Sir Andrew Rae Duncan. This presentation was made primarily by the Province of Nova Scotia and was supported by the Receiver and Manager of the Dominion Iron & Steel Company, and by the British Empire Steel Corporation on behalf of the operating Companies in which it was greatly interested, particularly the Dominion Iron & Steel Company, and the Nova Scotia Steel & Coal Company. Independent investigation into the Maritime situation and the position of the industry represented by these Companies was also made by the Commissioners; and the iron and steel industry in the Maritime Provinces is dealt with at considerable length in their report to the Dominion Government, dated 23rd September, 1926. The Report recognized the vital importance of the steel industry and the allied coal industry to the Maritime Provinces, and recommended one specific remedy to remove a particular discrimination which was found to exist against the Maritime steel industry. Apart from this one special item, the general case of the Maritime industry was placed before the Commission on the basis of seeking a solution of

existing difficulties through the re-establishment of bounties or the adjustment of the tariff, or partly by one and partly by the other of these means. As the Commission had been advised by the then Chairman of this Board that the matter of tariff was then before this Board, the Commission did not itself attempt to make any recommendation specifically dealing with the tariff.

4. The Receiver and Manager, recognizing that in addition to its direct responsibility to the Bondholders, it has a responsibility to others interested in the Company whether as investors or employees, and that these responsibilities make necessary a consideration not only of the present position of the industry but of its past experiences and future prospects, has consulted in the preparation of this Brief, the President of the Company, and all are in accord with the recommendations here set forth.

## II. THE IMPORTANCE OF THE MARITIME STEEL INDUSTRY

5. The Maritime Steel Industry is of national importance because it provides advantageous employment for a large population, and because it is essential from the standpoint of national independence and security.

6. From the first point of view the steel industry and the underlying coal industry of the Maritime Provinces are to be considered of great importance. In 1927 the steel plants alone employed in Nova Scotia an average of 3,500 workers and paid out in wages and salaries \$4,700,000. In addition to this direct employment and to the wages thus paid directly by the steel industry one must add also the employment provided in the coal industry on account of the consumption of coal by the steel plants. It would require approximately 2,100 men drawing wages amounting to \$2,500,000 to produce the coal purchased by the steel plants. Thus the steel industry provided employment in Nova Scotia in the production of coal and steel for 5,600 men, involving the payment in wages and salaries of \$7,200,000. The combined industries as represented by the British Empire Steel Corporation employed during 1927 an average of 20,124 workers, drawing \$24,400,000 in wages and salaries. Workers

(1925)  
2,363 out of a  
(1921 figure)  
total of 156,788 employed males  
in hardly a large population.  
1926 official returns  
only 2,525 employed  
\$2,802,688 wages  
and salaries

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numbering 18,000 were employed in Nova Scotia and received wages and salaries to the amount of \$22,200,000. It has been estimated on this basis that about a sixth of the population of Nova Scotia was thus directly dependent on the steel and coal industries of that province in addition to the large number who indirectly derive their livelihood from these industries.

7. A detailed presentation of the disbursements of the Dominion Iron & Steel Company will be found in the following table showing an analysis of the expenditures of that Company for the year ending June 30, 1928:

TABLE No. 1

*Analysis of Operating Expenditures, Dominion Iron and Steel Company Limited in the Production of Iron and Steel for Year ending June 30, 1928*

	Percentage of Actual	Total Canadian Exp.	Expenditure Canadian Exp., incl. Newfoundl'd
	%	%	%
Wages and Salaries Paid in Canada:			
Operating Wages and Salaries (including repairs) .....	34.58	34.58	34.58
Head Office and Selling Salaries .....	4.33	4.33	4.33
	38.91	38.91	38.91
Raw Materials:			
Coal used in Coke Ovens .....	19.33	19.33	19.33
Ores .....	13.35	...	9.48
Stone .....	2.61	...	2.61
Miscellaneous .....	17.13	12.16	12.16
	52.42	31.49	43.58
Other Materials and Expenses:			
Manufacturing Supplies and Expenses Exclusive of Labour .....	8.59	7.73	7.73
Blast Furnace Relining and Plant Repairs .....	.08	.08	.08
	8.67	7.81	7.81
	100.00	78.21	90.30



8. It will be noted from the above analysis of expenditures that wages and salaries paid in Canada account for 39 per cent. of all expenditures. The large sums spent on the purchase of materials represent still further "indirect" wages. Of all expenditures by the Company 78 per cent. were incurred in Canada, while 90 per cent. were expended in Canada and in Newfoundland. There were thus provided wage payments by the Dominion Iron & Steel Company direct and indirect in in Canada, amounting to more than \$8,000,000, and in Canada and Newfoundland similar payments of approximately \$9,500,000. The above figures do not include railway freight payments. These amounted for outward shipments during this period to \$1,500,000. The figure for Canadian expenditures should, therefore, be increased by this amount to \$9,500,000 and that for British expenditures to \$11,000,000.

9. The community, in which the operation of the Dominion Iron & Steel Company are mainly carried on, is to an astonishing degree the creation of the industry. Since 1898, when the steel plant was built, the population of Sydney has increased from 2,700 to 22,000 in 1927. During the same period the civic assessment (exclusive of the steel plant), has increased from \$964,000 to \$12,500,000.

10. It is submitted that the volume of business done and the large sums paid out in wages by the Maritime steel industry and the large proportion which its Canadian and British expenditures bear to the total, clearly mark the steel industry of the Maritime Provinces as being of great national importance.

11. While there is in Canada at present no steel industry which is wholly self-contained, the Maritime steel industry from the practical standpoint attains to that condition. The great bulk of its operations is carried on in Canada where it obtains its coal supply, dolomite and a portion of its limestone. Its iron ore and the remainder of its limestone are drawn from the adjoining British Dominion of Newfoundland where it has large reserves of high grade iron ore which can be depended upon for many years to come. This fortunate juxtaposition of iron, coal, dolomite and limestone united with water transportation is a national asset which enables

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2/3 -

Canada to be independent of foreign countries in respect of the vital matter of iron and steel. The importance to a nation of being able to furnish itself with iron and steel products without relying upon any foreign country is obvious. If a practical illustration were needed, attention could be directed to the great service which the Maritime Steel Industry rendered during the war in making a large contribution to the steel requirements of the allied governments thus revealing the extent to which Canada could supply these requirements and the importance of its being able to do so. Great as such importance has been to all nations for many years it is becoming greater with the passage of time. The wide spread international organization of industry, the influence which international cartels are at present exercising over many export markets of the world, Canada's expanding industry and the growing development of its natural resources are all factors which contribute to this increase in the importance of maintaining within our own borders an iron and steel industry which is, as far as possible, independent of foreign countries.

In order that an industry of essential importance should be retained, a country might well provide protection in excess of that afforded other industries. This is not being requested, but it follows, *a fortiori*, that the existing discriminations against such an industry should be removed as requested in this Brief.

### III. DOMINION IRON AND STEEL COMPANY

12. The Dominion Iron and Steel Company carries on the business of manufacturing iron and steel, with the City of Sydney, Cape Breton, as its chief place of operation. Its iron ore and part of its limestone are drawn from its properties in Newfoundland, while its coal is derived from the properties of the Dominion Coal Company in the Sydney area. Its operations extend from the making of pig iron to the finishing of primary rolled forms and the manufacture of wire and wire products. For the prosecution of its business it has equipped itself with modern transportation and handling equipment, with blast furnaces, with a modern by-product-recovery coke plant, with open hearth steel furnaces, and with facilities for the manufacture of rolled forms and wire products.



The Company's plant is logically located for the primary production of steel in Canada, and any artificial obstacles in the way of the further development of this primary steel industry at Sydney should be removed in order that full advantage may be taken of the natural resources which are there being utilized.

13. The Company in its operations produces the following main products in addition to various by-products:

Pig iron,	Rods,
Ingots,	Bars,
Blooms,	Wire nails and staples,
Billets,	Rails and tie plates.

Fuller information as to the products made and the uses to which they are put will be found in the Appendix.

#### IV. HANDICAPS OF THE INDUSTRY

14. The request for readjustment of the tariff, in so far as it affects the primary steel industry of the country, is based on two main premises. In the first place, it is contended that a tariff cannot be fair and equitable which discriminates against the products of one established industry in favour of the products of other protected industries. In the second place, it is submitted that it is against public policy to maintain an arrangement of duties which discourages the extension of industry which would otherwise be logical and easy of accomplishment. It is proposed in succeeding paragraphs to analyse the existing tariff situation in order to justify the contention that the Company's products are discriminated against by the existing tariff and that the logical development and extension of the industry is thwarted, not for natural or economic reasons, but because of artificial handicaps under which it finds itself as a result of the existing arrangement of tariff duties. In order to make this presentation it will be necessary to refer to the history of the duties on iron and steel, and to institute comparisons designed to show the relative protection provided by the present tariff to the different operations involved in the steel industry.

## V. GENERAL SURVEY OF THE TARIFF ON IRON AND STEEL

15. For convenience a detailed statement of the changes in the duties on the groups of iron and steel products here discussed is given in an Appendix.

16. An analysis of the general structure of the tariff on iron and steel and of the changes that have been made in the tariff since 1897 brings to light certain well-defined characteristics which may be stated in general form. In the first place, rates of duty on primary forms of steel, such as billets and blooms, wire rods and other rolling mill products, are relatively low in comparison with rates on other steel products. In the second place, iron and steel products which were not produced in Canada but which were used by other manufacturers have been admitted free or were subject to a small revenue duty. Finally, rates on finished manufactures of iron and steel approximated to a general rate of 30 per cent. One cannot escape the conclusion that the relatively low rates on primary steel were related to the system of bounties on steel production which came into effective existence at the time that the tariff of 1897 was designed, since the duty on steel billets was reduced by that tariff from \$5.00 to \$2.00, pig iron was reduced from \$4.00 to \$2.50, and bar iron from \$10.00 to \$7.00.

In the course of the past thirty years changes have necessarily come about in the iron and steel tariff schedules. In 1910 the bounties on steel production were dropped but no readjustment of the low duties on primary forms of steel accompanied the discontinuance of the bounties. A further change in the general structure of the tariff system of 1906 came when the principle of free items and drawbacks was extended to goods which were being produced in substantial quantities in Canada. While this was being done, no compensating readjustment was made to permit the primary steel industry of the country to extend into fields which it had not hitherto occupied in order to recover the tonnage lost through the extension of drawbacks and free entries, particularly those to the agricultural implements industry.



17. The relative position of the producers of primary steel with reference to protection has been further prejudiced by the external and uncontrollable factor of price changes. Largely for administrative reasons duties imposed on primary steel products such as the Dominion Iron & Steel Company produces, have been specific in form, while duties on secondary and finished products have been ad valorem rates. In consequence the rise in the prices of steel products since 1907 has brought reduced protection to primary steel producers but has not affected those producers whose products are protected by ad valorem duties. The following comparison of the ad valorem equivalents of the specific duties of the general tariff levied on steel billets and wire rods illustrates the point:

	1908	1915	1927
Steel billets, sixty pounds and over	9.5%	12.6 %	6.2%
Wire rods.....		16.2%	11.8%

The protection on billets has thus fallen by 35 per cent. since 1908 and by 50 per cent. since 1915, while that on rods has fallen by more than 25 per cent.

18. The combined results of changes in the tariff and changes in prices it is difficult to show in any summary form. The following table, however, makes clear the relatively low protection given to primary forms of steel in comparison with finished forms:

TABLE No. 2

*Average Rates of Duty on Iron and Steel Products  
Based on Duties Collected during Fiscal Year, 1927*

		<i>Per cent.</i>
Pigs, Blooms, Billets.....	Dutiable,	8.5
	All,	7.42
Rolling Mill Product.....	Dutiable,	10.3
	All,	8.9
Wire.....	Dutiable,	21.0
	All,	9.5
Castings and Forgings.....	Dutiable,	31.5
	All,	25.8

Scrap Iron or Steel .....	Dutiable,	10.4
	All,	1.3
Tubes, Pipes and Fittings .....	Dutiable,	22.3
	All,	15.5
Chains .....	Dutiable,	24.3
	All,	14.2
Engines and Boilers, n.o.p. ....	Dutiable	26.1
	All,	26.0
Farm Implements and Machinery, ...	Dutiable,	9.5
	All,	4.8
Hardware and Cutlery .....	Dutiable,	26.7
	All,	26.5
Machinery (except Agricultural) ....	Dutiable,	22.9
	All,	20.9
Springs .....	Dutiable,	31.1
	All,	31.0
Stamped and Coated Products. ....	Dutiable,	25.8
	All,	25.6
Tools and Hand Implements .....	All Dutiable,	28.2
Vehicles, chiefly of Iron .....	Dutiable,	26.3
	All,	24.9
All Iron and Steel Products. ....	Dutiable,	21.4
	All,	18.0

19. The products for which average rates are shown above are grouped as in the Customs classification. In some cases the Customs groups contain products from quite separate branches of



the industry. Two rates of duties are shown, the average for the dutiable commodities in the group, and the average for the entire group, dutiable and free. If the average were to show accurately the relative protection to the different branches of the iron and steel industry in Canada, they would have to be weighted according to the Canadian consumption of the various products. As shown above, they are weighted according to the volume of imports for each commodity. Further, it has not been possible to make deductions for drawbacks. Since a large proportion of such drawbacks are granted on primary products in favour of secondary producers, their deduction would show primary producers in a still worse relative position.

Though deficient in these respects the average rates of duty in Table 2 are useful in that they show generally the low protection granted on the primary forms of steel included in the first three groups.

20. The result of the changes which have taken place in the general structure of the tariff on iron and steel in the past thirty years, in default of any compensating adjustments, has been to discriminate seriously against the production of primary forms of steel in this country. The Dominion Iron and Steel Company whose output, as has been shown, is made up primarily of rolling mill products, finds itself protected to a very much less degree than other iron and steel industries who are engaged to a greater extent in the manufacture of finished iron and steel products.

21. Comparisons of relative protection may be most easily made on the assumption that full advantage is taken of the duty. This, of course, it is realized, is not in conformity with the facts, but the method enables us at least to measure the possible relative protection that is available under a particular set of duties. Taking the output of the Dominion Iron and Steel Company and assuming that on each class of products the price is raised by the full amount of the duty under the general tariff, it has been calculated that a total protection of 15.4 per cent. of the Net Sales for the year ending June, 1928, would be received. Taking on the other hand the purchases of the company and assuming that the price is raised by the

full amount of the duty, it is found that the cost of purchases would be enhanced by an amount equal to 2.6 per cent. of net sales. On the assumed basis the maximum protection available to the Company if the rates of the general tariff applied to all imports would be 12.8 per cent. of its net sales. If, however, allowance could be made for the lower rates of the Intermediate and Preferential Tariffs and for the drawbacks allowed on the products of the Company, it is believed that the rate of 12.8 per cent. would be significantly reduced.

## VI. DISCRIMINATION AGAINST THE PRIMARY STEEL PRODUCTS

22. The fundamental facts which must be grasped in order fully to apprehend the relationship of the tariff to the business of the Dominion Iron and Steel Company are that:—(1) The various products which it makes are brought into existence through expenditures, for labor and material in the working up of its basic product of Pig Iron or derivatives thereof; (2) Every one of these products which is not a finished product incapable of further manufacture such as rails and nails, is nevertheless a saleable product as well as a raw material for the Company's own operations in further processes of manufacture; (3) It is essential to the carrying on of the business of the Company that it should sell a large tonnage of the products mentioned above in (2) including in particular billets, bars and rods, as unless such sales are made there would be a substantial increase in the cost of the finished products which the Company sells, such as rails, tie plates, nails, barbed wire and etc. At the risk of pointing out the obvious, attention is drawn to the fact that if a producer receives a protection of 30 per cent. ad valorem on his products and pays a 30 per cent. duty on his raw materials, he has a net protection of 30 per cent. on his expenditures in converting his raw material into his product. In the case of specific duties, in contrast, if a producer pays \$2.50 per ton specific duty on pig iron and receives a protection of \$2.50 per ton on steel billets, his net protection would be practically zero. The tariff should be adjusted to each operation in the further manufacture of the basic product of the industry, namely, Pig Iron. Calculations as to the relative effectiveness of duties in respect of articles produced in a continuing series of operations from the basic product can only be made by



assuming that at each stage of the process costs are raised by the full amount of the duty imposed upon the raw materials used in such process resulting from the previous stage in the series. In other words, it is only possible to calculate the maximum protection available; it is not possible to calculate accurately in most cases the actual protection taken advantage of. In the following table the net protection on the conversion costs of various products has been calculated. The method employed is to deduct from the duty on a product the duty on the amount of raw material entering into that product and to calculate the percentage which this net protection bears to the cost of conversion from raw material to saleable product.

TABLE No. 3

	Present Duty per Net Ton	Percentage of Net Protection to Conversion Cost from pig iron to the several products
Basic pig iron.....	\$2.50	
Blooms.....	2.50	3.5
Billets.....	2.50	2.2
Rods.....	3.50	6.3
Rails.....	7.00	28.2

23. On examination of these figures, which show a net protection on the cost of converting basic iron to steel billets, of 2.2 per cent as against a net production on the conversion of blooms into steel rails, of 28.2 per cent., it is at once apparent that the protection afforded the manufacturer of blooms, billets and rods is out of line with the protection afforded to the manufacturer of other products, and with the average protection afforded to the iron and steel industry in general. The practical consequence of the fixing of these illogical and discriminating rates of duty on products intermediate between pig iron and finished products is that the business of the Dominion Iron and Steel Company is severely handicapped because as above stated, it is desirable to sell rods and billets to other manufacturers in order to make its operations more efficient and economical. Therefore the loss of a steadily increasing tonnage

in the Canadian market has an adverse effect upon the whole of its operations and prevents a further decrease in production costs. The maintenance of sales of these intermediate products will avoid intermittent operation of the plant and resulting periods of temporary unemployment.

24. The request made by the Dominion Iron and Steel Company with reference to the tariff on products, which it is at present producing, is in effect that the general and intermediate tariff on billets should be increased to \$5 and that on wire rods of all kinds and classes should be made \$7. That the adoption of these suggested duties would remove the discrimination is shown by the succeeding Table made up in the same way as Table No. 3, except that the duties suggested above are used instead of the actual duties now levied on these commodities.

TABLE No. 4

	Present duty	Suggested duty per net ton	Percentage under suggested duties of net protection to conversion cost from pig iron to various products
Basic pig iron.....	\$2.50	\$2.50	
Blooms.....	2.50	5.00	28.7
Billets.....	2.50	5.00	23.9
Rods.....	3.50	7.00	26.4
Rails.....	7.00	7.00	28.2

25. There can be no question but that the distribution of protection to the different operations is more logical and more equitable under the suggested duties than under the existing duties.

26. Another illustration makes much the same point. Table 5, given below, shows the specific duties which it would be necessary to levy on various products in order to bring about approximately equal protection on, first, the mill cost of the products; secondly, on the expenditures in Canada incurred in the production of the articles and, thirdly, on the Canadian expenditures including for this purpose those made in Newfoundland for ore and limestone. The duty on rails being less than 20 per cent. of the sale price of rails in

Canada, is considered to be a fair duty in comparison with the protection afforded the products of other industries. The following Table shows what duties would have to be collected in order to give equal protection to other primary forms of steel.

TABLE No. 5.

Calculations to show what the equal relative protection should be on Blooms, Billets, Rods and Rails in relation to the present duty of \$7.00 per net ton on Rails based on the ratio of actual cost also on the ratio of monies spent in Canada included in the cost of these products.

Material	Relative Mill Cost (1)	Relatively equal duties (2)	Relative Canadian Expendi- tures (3)	Relatively equal duties (4)	Relative British Expendi- tures (5)	Relatively equal duties (6)
Pig iron. . . .	100	\$2.97	100	\$2.57	100	\$3.13
Blooms. . . . .	192.6	5.72	223.1	5.74	185.4	5.80
Billets. . . . .	195.8	5.82	224.2	5.77	187.2	5.85
Rods. . . . .	240.9	7.15	286.3	7.36	233.8	7.31
Bars. . . . .	272.5	8.09	332.3	8.55	267.4	8.36
Rails. . . . .	235.7	7.00	272.0	7.00	223.9	7.00

- (1) Assumed base, cost of pig iron = 100.
- (2) Duties giving equal protection on mill cost relative to the duty of \$7.00 per net ton on rails.
- (3) Assumed base, Canadian expenditures on pig iron = 100. Newfoundland ore and limestone and all foreign expenditures excluded.
- (4) Duties giving equal protection on Canadian expenditures.
- (5) Assumed base, British expenditures on pig iron = 100. Cost of Newfoundland ore and limestone included.
- (6) Duties giving relatively equal protection on British expenditures.



27. This discrimination against the products which the Dominion Iron and Steel Company is producing has adversely affected the prosperity of the Company. It is here contended that the tariff should be applied equally to all producers of iron and steel.

28. The duties levied on certain primary forms of steel, such as billets and wire rods, have been shown to be discriminatingly low. The effect of this situation can be readily seen through an examination of statistics of imports and production during the revival of trade from 1924 to the present.

TABLE No. 6

Total Imports—	Fiscal Year....	1925	1926	1927	1928
All Iron and Steel					
Products.....	Millions of \$..	134.7	181.2	229.4	259.5
Total Production—	Calendar Year	1924	1925	1926	1927
All Iron and Steel					
Products.....	Millions of \$...	371.2	411.3	505.1	515.0

29. In the case of the primary products referred to, the pressure of importations on domestic production has been much more serious.

TABLE No. 7

Sales of Ingots					
Blooms and Billets	Calendar Year.	1924	1925	1926	1927
	1,000 net tons	50.6	49.5	47.3	53.9
Imports.....	Fiscal Year....	1925	1926	1927	1928
	1,000 net tons..	10.4	16.0	15.2	24.6
Sales Wire Rods...	Calendar Year.	1924	1925	1926	1927
	1,000 net tons..	31.9	29.3	32.6	27.0
Imports Wire Rods	Fiscal Year....	1925	1926	1927	1928
	1,000 net tons..	22.5	40.0	47.8	43.1

30. The increase of trade in these primary forms of steel since 1925 has been captured by foreign producers to a much greater extent than in the case of iron and steel products generally. A most important factor in this outcome has undoubtedly been that the ad valorem rates on billets in 1927 was 6.2 per cent. and on rods 11.8 per cent. while the average ad valorem rate for iron and steel products generally was 18.0 per cent.

31. Another factor of importance emerges when one discovers the change in the origin of imports. The following tables show the imports of billets 60 lbs. and over and wire rods, by countries of origin.

TABLE No. 8

Imports of Steel billets, 60 lbs. and over.  
000's omitted.

Fiscal Year	1923	1924	1925	1926	1927	1928
Belgium.....cwt.	..	34	9	167	82	138
\$	..	54	11	192	98	129
France.....cwt.	22	36	104	51	83	105
\$	26	56	133	60	94	100
United States.....cwt.	214	102	66	64	86	186
\$	350	250	167	142	210	344
<hr/>						
Total.....cwt.	237	179	188	288	264	437
\$	379	377	333	403	422	600

# Imports of Wire Rods for the Manufacture of Wire.

000's omitted.

Fiscal Year	1923	1924	1925	1926	1927	1928
Belgium.....cwt.	48	..	85	160	322	599
\$	84	..	124	210	425	735
France.....cwt.	6	..	36	151	77	57
\$	10	..	49	207	107	71
Germany.....cwt.	..	..	13	164	337	13
\$	..	..	20	218	426	18
United States.....cwt.	346	291	225	231	194	157
\$	725	708	508	467	409	317
.....						
Total.....cwt.	406	292	430	788	949	855
\$	829	713	797	1208	1391	1182

32. Competition in these products now comes not from the United States but from certain European countries, principally Germany, France and Belgium where the revived and re-equipped iron and steel industries, linked in the International Steel Cartel, are allocating among themselves the export markets of the world. Export is facilitated by special railway rates granted for export and by the extremely low rates for ocean transportation:—

Cost of water carriage Antwerp to Montreal	
Pig iron, billets and wire rods....	\$3.00 per gross ton
Same Sydney to Montreal.....	1.50 " " "
Plus loading and dock expense	
at shipping point and plus	
discharging at Montreal.....	2.00 " " "
Total Sydney to Montreal.....	3.50 " " "

*including cost of unloading?*

In addition to these extremely low ocean rates the Canadian producer shipping primary steel to the Montreal market must compete with the relatively lower wage scales of these countries.



33. According to the best information available, the average wages for comparable employment in the iron and steel industries in Great Britain, Germany, Belgium and France were as follows:

Sydney, N.S.....	59.8	cents	per	hr.
Great Britain.....	32.5	"	"	"
Germany.....	25.6	"	"	"
Belgium.....	19.9	"	"	"
France.....	19.9	"	"	"

It is not contended that costs of production are in these ratios. Indeed it is apparent that Canadian labor must be much more efficient else the slender protection given to the primary steel producers could not avail to save any of the domestic market from cheap Continental steel. It is, however, contended that low Continental wages, which are the result of currency inflation, reconstruction and lower standards of living are a competitive factor distinctly favorable to the European producer and unfavorable to the Canadian producer who must maintain wages at the level ruling in Canada.

34. With the exception of machinery imported from Germany, a preponderance of the imports of iron and steel from these countries is in the primary forms. It is the primary producer, handicapped in comparison with the secondary producers by his low ad valorem protection, who must bear the brunt of this competition from countries of lower living standards. Producers of secondary steel products are chiefly concerned with the competition of the United States. The Dominion Iron and Steel Company would not be requesting any change in the tariff on the products it produces, if it received for its products generally prices equal to the mill prices paid for similar products in Pittsburgh.

## VII. ECONOMICAL ORGANIZATION OF THE STEEL INDUSTRY ARTIFICIALLY THWARTED.

35. It has been contended here that an industry has a right to an equal chance with other protected industries to utilize to the full the natural advantages which it possesses. This involves not only a just share of protection on commodities it now produces but an unprejudiced opportunity to develop and organize its

production on logical and economical lines. Unfortunately for companies in the position of the Dominion Iron and Steel Company, changes in the tariff have prevented them from continuing to produce products which they did produce some years ago, and at the same time the lack of protection prevents the production of other products which up to the present time have not been produced.

36. As stated before, the tariff of 1897 as modified by that of 1907, gave free entry or imposed low duties for articles which were not then manufactured in Canada. The result of this has been that the manufacture of these articles has been discouraged. Drawbacks and other changes in the tariff have cut down seriously the protection on articles which were made in former days and the way of development is blocked. Primary steel producers find themselves, therefore, in the position of needing to replace the tonnage which was lost to them through the drawbacks and free entry conceded to manufacturers of agricultural implements and others. An examination of the imports for last year shows a number of products which could be manufactured in Canada but which are imported in large quantities because they enter Canada free of duty or at a rate that is out of all proportion to the average rate given on other iron and steel products. It is noted, for example, that there entered during the fiscal year ending March 31, 1928, skelp for the making of pipe, to the amount of 119,000 tons, having a value of \$4,497,000. This enters the country under Tariff Item 383 at a nominal rate of 5 per cent. It was noted also that there were large importations of sheets amounting to 92,000 tons, having a value of \$6,818,000, of which 25,300 tons were in the form of sheets imported free, for galvanizing, under Tariff Item 383-A. Imports of tin plate, Item 384-C, entering free from the United Kingdom and carrying a nominal duty of 5 per cent when imported from other countries, amounted to 67,000 tons, having a value of \$6,967,000. There are here articles which could be made by primary steel producers in Canada but which they are prevented from making because a fair rate of protection is not given in comparison with the rates provided on other products. It is contended that sufficient protection could be given on these products without seriously affecting the ultimate consumer, since those who import such products for further manufacture are for the most part highly protected.

37. The Company has, unfortunately, no cost data, to place at the disposal of the Board, dealing with those products which it does not produce. As a substitute, however, comparisons have been made between the prices of raw materials and the prices of finished products with purpose of arriving at the approximate net protection now afforded to those who import free raw materials or raw materials on which a low rate of duties is paid and receives substantial protection on their finished product. The prices which have been used for these calculations are derived from the Iron Trade Review of October 11, 1928, and are ruling United States prices.

TABLE No. 9.

Estimated Net Protection Based on Prices of Raw Materials and Finished Products.

1. Conversion of Skelp to Pipe.

Price of skelp per net ton.....	\$37.00
Assumed yield—88%	
Price of skelp for net ton of pipe.....	42.00
Price of pipe per net ton.....	70.00
Duty on skelp (5%) per net ton (383).....	1.85
Duty on skelp per net ton of pipe (400).....	2.10
Duty on pipe (30%).....	2.10
Net Duty on Product.....	18.90
Margin for Conversion Cost and Profit.....	28.00
Rate of Net Protection on Margin.....	67.5%

2. Conversion of Black Sheets to Galvanized Sheets.

Price of Black Sheets per net ton.....	\$54.00
Price of Galvanized Sheets per net ton.....	70.00
Black Sheets for Galvanizing, (384a).....	Duty free
Duty on Galvanized Sheets (12½%) (384).....	8.75
Net Duty on Product.....	8.75
Margin for Conversion Cost and Profit.....	16.00
Rate of Net Protection on Margin.....	54.8%

3. Conversion Black Sheets to Corrugated Galvanized Sheets.

Price of Black Sheets.....	\$54.00
Price of Corrugated Galvanized Sheets.....	70.00
Black Sheets, (384a).....	Free
Duty on Corrugated Galvanized Sheets (30%) (454)...	21.00
Net Duty on Product.....	21.00
Margin on Conversion Cost and Profit.....	16.00
Net Rate of Protection on Margin.....	130%



4. Conversion of Sheet Bars to Sheets.

Price of Sheet Bars per net ton.....	\$33.00
Assumed yield, 70%	
Price of Sheet Bars per net ton of Sheets.....	47.14
Duty on Sheet Bars (99% Drawback) (1018).....	
Price of Galvanized Sheets.....	70.00
Duty on Galvanized Sheets (12½%), (384).....	8.75
Net Duty on Product.....	8.75
Margin on Conversion Cost and Profit.....	22.86
Rate of Net Protection on Margin.....	38.3%
Price of Galvanized Corrugated Sheets.....	70.00
Duty on Galvanized Corrugated Sheets, (454).....	21.00
Net Duty on Product.....	21.00
Margin on Conversion Cost and Profit.....	22.86
Rate of Net Protection on Margin.....	92%

38. The above calculations are necessarily based on prices and estimated yields rather than on actual conversion costs and actual yields. The rates of net protection shown are, of course, lower than they would be if conversion costs were used. The disparity between the rates of net protection of 67.5 per cent., 54.8 per cent. and 130 per cent., and the rate of net protection on billets, 2.2 per cent., is great to the point of absurdity.

39. Skelp, sheet bars and sheets are products which can be economically made by primary steel producers, and it is apparent that producers who use these materials receive so large a measure of protection on their products that they do not require the additional protection given to them and denied the primary producer, by admission of these materials free or at low rates of duty. It is, therefore, requested that the items by which certain importers of skelp, sheet bars, and sheets are granted special rates, should be cancelled and that these products be dutiable at the regular rates for other products of their classes.

### VIII. RECOMMENDATIONS.

40. In order that the discriminations against primary steel producers should be removed, it is respectfully asked that the following amendments should be made to the Customs Tariff:

Bar iron or steel,  
rolled, whether in  
coils, bundles, rods  
or bars, comprising  
rounds, ovals, squares  
and flats, n.o.p.

Steel Billets n.o.p.

Cwt	844,183	1,393,581	1,303,236
\$	1,719,857	2,744,278	2,549,350
Cwt	524	662	450
"	1,484	1,110	871

*Weld iron or steel hoop, band, scroll  
1, 12 inches or less in width, No. and  
thickness n.o.p.*

353,692	279,312
801,488	583,011

*Imports 378.*



Iron or steel ingots, cogged ingots, blooms, slabs, puddled bars, and loops or other forms, n.o.p., less finished than iron or steel bars, but more advanced than pig iron, except castings	Cwt.	23,634	37,369	54,395
	\$	92,044	149,672	202,642

Iron or steel billets weighing not less than 60 lbs per lineal yard.	Cwt	265,589	281,172	335,510
	\$	369,679	444,448	454,431



# Disco Application

<u>471.</u>	cwt.	935 484	877,755
	\$	1400 672	1,184 722

U.S. 1927	cwt.	119,837	\$ 247,894
Belgium 1927	cwt.	587,926	\$ 719,484

<u>471a</u>	cwt.	55	58
	\$	235	121

all from U.S.

<u>481</u>	cwt.	12,782	8193
	\$	43,801	27 929

U.S. 1927 cwt. 7,803 - \$ 26,679

7294387 Rolled iron and rolled steel nail rods, under 1/2 inch diameter, for the manufacture of horse-shoe nails.

cwt	6,183	8,247
\$	16,568	17,221

U.S. 1927 cwt - 8,235 - \$ 17,208

<u>383.</u>	cwt	2,220,693	2,195,592
	\$	4,450,006	4,210,820

U.S. 1927 cwt. 2,085,508 \$ 3,932,582

<u>384c</u>	cwt	1,496,750	1 429,053
	\$	7,819,161	7 504,436

U.S. 1927 cwt 966,308 \$ 5,169,996

Amount Paid under Drawback 1018

1926-27	1927-28	1928-29 (to date)
2,919.14	34,968.66	6,273.73



471. Rolled round wire rods in the coil, of iron or steel whether not over three-eighths of an inch in diameter, when imported by wire manufacturers for use in making wire in the coil in their own factories

per ton	\$ 2.25	\$3.50	\$ 3.50
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471a Rolled round rods in the coil, of iron or steel whether annealed or cleaned, or not, when imported by manufacturers of chain for use only in their own factories in the manufacture of chain

per ton	\$ 2.25	\$ 3.50	\$ 3.50
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481. Steel wire, Bessemer soft drawn spring, of numbers ten, twelve and thirteen gauge, respectively, and homo steel spring wire of numbers eleven and twelve gauge, respectively, when imported by manufacturers of wire mattresses, to be used exclusively in the manufacture of such articles in their own factories

Free	Free	Free
------	------	------

729. Rolled iron and steel rods, not over half an inch in diameter or in width, to be manufactured into horseshoe nails, when imported by manufacturers of such nails

Free	Free	Free
------	------	------





Amend Tariff Item 376 to read as follows:

Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
376 Iron or steel billets weighing not less than sixty pounds per lineal yard, ingots, cogged ingots, blooms slabs, puddled bars; and loops or other forms, n.o.p., less finished than iron or steel bars but more advanced than pig iron, except castings, per ton.....	1.50 \$3.00	2.25 \$5.00	2.50 \$5.00

The following Tariff Items to be repealed: 471, 471a, 481 and 729.

Amend Tariff item 378 to read as follows:

Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
378 Rolled iron or steel whether in coils, rods, bars or bundles, <u>tin</u> plate bars or slabs and sheet bars or slabs comprising rounds, ovals and squares, and flats, steel billets n.o.p., and rolled iron or steel hoop, band, scroll or strip twelve inches or less in width, number thirteen gauge and thicker n.o.p., per ton	4.25	6.00	7.00 (present rate)
	\$4.25	\$7.00	\$7.00

Tariff Item 383 to be repealed.

Tariff Item 384c to be amended as hereinafter set out.

Tariff Items 1018 to be repealed.

383 Skelpiron or steel, sheared or rolled in grooves, when imported by  
manufacturers of wrought iron or steel pipe in their own factories  
5p.c. 5p.c. 5p.c.

384c. Rolled sheets of iron or steel coated with tin, of a class  
or kind not manufactured in Canada Free 5p.c. 5p.c.

1018. Machinery imported after July 1, 1906, and prior to July 1, 1908, and other articles not machinery. When entering into the cost of terne plate, tin plate, and black sheets of iron or steel number fourteen gauge--- or thinner. 99p.c. drawback

#### 44. BLACK SHEETS, GALVANIZED SHEETS AND TIN PLATE.

Tariff Item 384a to be repealed.

Amend Tariff Item 384 to read as follows:

Tariff Item	British Preferential Tariff	Inter- mediate Tariff	General Tariff
384 Rolled iron or steel sheets and strips, polished or not, No. 14 gauge and thinner, n.o.p.; Canada plates; Russia iron; terne plates and rolled sheets of iron or steel, coated with (tin) zinc, spelter or metal, of all widths or thicknesses, n.o.p.; and rolled iron or steel hoop band, scroll or strip, No. 14 gauge and thinner, galvanized, or coated with other metal, or not, n.o.p.	15%	20%	20%

Amend Tariff Item 384c to read as follows:

Tariff Item	British Preferential Tariff	Inter- mediate Tariff	General Tariff
384c Rolled iron or steel sheets and strips, polished or not, No. 14 gauge and thinner, n.o.p.; Canada plates; Russia iron; terne plates rolled sheets of iron or steel, coated with (tin,) zinc, spelter or other metal, of all widths, or thicknesses, n.o.p.; (and rolled iron or steel hoop, band, scroll or steel hoop, band, scroll or strip, No. 14 gauge and thinner, galvanized, or coated with other metal, or not, n.o.p.; (skelp iron or steel, sheared or rolled in grooves;) provided that no goods shall be imported under this item unless of a class or kind not manufactured in Canada.	Free	5%	5%

384, Rolled iron or steel sheets or strips, polished or not, number fourteen gauge and thinner, N.O.P.; Canada plates; Russia iron; terne plates and rolled sheets of iron or steel, coated with zinc, spelter or other metal, of all widths or thicknesses, N.O.P.; and rolled iron or steel hoop, band, scroll or strip, number fourteen gauge and thinner, galvanized, or coated with other metal, or not, N.O.P.

7<sup>1</sup>/<sub>2</sub>p.c. 12<sup>1</sup>/<sub>2</sub>p.c. 12<sup>1</sup>/<sub>2</sub>p.c.

Coated with Tin  
added to wording -  
see 384c.

Tin 384c.

384

384.

383

(proport rate)



384a.

cwt  
\$

482,702

511,280

1,452,848

1,479,316

384. Rolled iron or steel hoop, band, scroll or strip, No. 14 gauge and thinner, galvanized, or coated with other metal or not, n.o.p.

cwt

301,844

274,637

\$

1,085,108

9,729

U.S. 1927 cwt. 225,852 - \$ 781,892

Canada plates; heavy iron; lime plates and rolled sheets of iron or steel, coated with zinc spelter or other metal, of all widths or thicknesses, n.o.p.

cwt.

220,892

246,439

\$

907,033

960,206

U.S. 1927 cwt. 162,093 \$ 633,667

Rolled iron or steel sheets and strips, polished or not, No. 14 gauge and thinner n.o.p.

cwt

1,208,026

1,178,924

\$

4,446,015

4,157,274

U.S. 1927 cwt 1,005,704 \$ 3,661,103

Sheets flat of galvanized iron or steel.

cwt

583,441

454,289

\$

2,549,698

1,862,807

U.S. 1927 cwt 366,665 1,498,125

44. BLACK SHEETS, GALVANIZED SHEETS AND  
TIN PLATE.

Tariff Item 384a to be repealed.  
Amend Tariff Item 384 to read as follows:

Tariff Item	British Preferential Tariff	Inter-mediate Tariff	General Tariff
384			
Coated with Tin added to wording - see 384c.			
Rolled iron or steel sheets and strips, polished or not, No. 14 gauge and thinner, n.o.p.; Canada plates; Russia iron; terne plates and rolled sheets of iron or steel, coated with (tin) zinc, spelter or metal, of all widths or thicknesses, n.o.p.; and rolled iron or steel hoop band, scroll or strip, No. 14 gauge and thinner, galvanized, or coated with other metal, or not, n.o.p.	7 1/2	12 1/2	12 1/2 (present rate)
Amend Tariff Item 384c to read as follows:	15%	20%	20%

Tariff Item	British Preferential Tariff	Inter-mediate Tariff	General Tariff
384c			
Tin 384c.			
Rolled iron or steel sheets and strips, polished or not, No. 14 gauge and thinner, n.o.p.; Canada plates; Russia iron; terne plates rolled sheets of iron or steel, coated with (tin) zinc, spelter or other metal, of all widths, or thicknesses, n.o.p.; (and rolled iron or steel hoop, band, scroll or steel hoop, band, scroll or strip, No. 14 gauge and thinner, galvanized, or coated with other metal, or not, n.o.p.); (skelp iron or steel, sheared or rolled in grooves); provided that no goods shall be imported under this item unless of a class or kind not manufactured in Canada.	384 384. 383		
	Free	5%	5% (present rate)

384, Rolled iron or steel sheets or strips, polished or not, number fourteen gauge and thinner, N.O.P.; Canada plates; Russia iron; terne plates and rolled sheets of iron or steel, coated with zinc, spelter or other metal, of all widths or thicknesses, N.O.P.; and rolled iron or steel hoop, band, scroll or strip, number fourteen gauge and thinner, galvanized, or coated with other metal, or not, N.O.P.  
7p.c. 12p.c. 12p.c.

## IX. SUMMARY.

46. In this brief it is contended that

- (a) because the primary steel industry of Nova Scotia, as represented by the Dominion Iron and Steel Company, is a large employer of labour in that province, disburses in Canada 78 cents out of every dollar received, and from a practical standpoint, is in the position of being a wholly Canadian primary steel industry, independent of foreign control, it is a basic industry of essential and national importance.
- (b) on account of the discontinuance of the steel bounties, the extension of drawbacks on goods for home consumption, and of "special" items in the tariff, and the decline in the ad valorem effectiveness of the specific duties imposed on primary steel products, the protection afforded to the production of primary products is wholly unfair in comparison with the protection on secondary steel products generally. The provision in the tariff for the admission of such materials as skelp, sheet bars and sheets free or at nominal rates of duty while the products made from these materials are subject to relatively high rates, is unfair to primary steel producers, who are thereby prevented from replacing by the production of such materials, the tonnage lost through the granting of various drawbacks.
- (c) The Maritime Steel Industry, by reason of the discriminatingly low rates of duty imposed on primary forms of steel, is bearing the brunt of the competition in steel from the low-wage countries of Continental Europe.
- (d) As recommended in the preceding section the duties on steel billets and wire rods should be adjusted so as to give protection to makers of these products comparable to that afforded makers of iron and

steel products generally; the special rates granted to manufacturers importing skelp, sheet bars and sheets for use as materials should be withdrawn, so that primary producers of steel may obtain a protection comparable to that now given to secondary producers, and have a fair chance to increase their tonnage by supplying secondary producers with these materials.



# STEEL PRODUCTS OF DOMINION IRON & STEEL COMPANY, LIMITED.

Item No.	Product Made	Product Made by Customers We Sell to—Other Than Nova Scotia Steel & Coal Co., Limited
1.	INGOTTS	None sold to others than Nova Scotia Steel & Coal Company.
2.	BLOOMS (Size 4 x 4 & over)	Forgings for Marine, Railways & Tramways, Industrial—Re-rolling into small shapes and bars, and from bars are made Bolts, Nuts, Lag Screws, Rivets, Tie Rods, Pipehangers, etc.
	BILLETS (Under 4 x 4")	Re-rolling into small shapes (Angles, Beams, Channels) and bars, and from bars, Track Spikes, Track Bolts, Bolts, etc., as above on Blooms,—also Spring Steel, for Railways and Autos.
3.	BARS (Including Rods over $\frac{3}{8}$ " Round and Flat Nut Steel in Coils and cut to length).	Chains, Track Spikes, Track Bolts, Bolts of all kinds, Nuts, Tie Rods, etc.
4.	WIRE RODS (Not over $\frac{3}{8}$ " Diameter)	Small Bolts, Lag Screws, Straightened and cut Rods, resold as small bars and bedstead rods. Nails and Staples of all kinds; wires of all kinds, Bright Wire, Annealed Wire, Bale Ties, Strapping Wire, Coated Wires, Welding Wires, Bicycle Spokes, etc., Pin Wire, Spring Wire, Bottling Wire, Broom Wire, Galvanized Wires (all sizes), Galvanized Wire 9-12-15 ga. for fencing, Barbed Wire, Woven Wire Fencing, Tinned Wires, Mattress Wire, Chains, Wire Rope, Stranded Guy Wire, etc., Hay Wire, Binding Wire, etc., Hooks and Screw-eyes, etc.
5.	WIRE—Bright Annealed	Wire Rope, Chains, Broom Wire, Spring Wire, Clothespin Wire, etc.
	Plain Galvanized	Mostly sold direct to jobbers for resale to farmers as HayWire—Some tonnage sold direct to Pulp and Paper Mills.
	Galvanized, Barbed	Woven Wire Fencing, Fox Netting, Chain Link Fencing, Stranded Guy Wire Rope.
6.	WIRE NAILS & STAPLES (All kinds)	Not further manufactured after leaving our works.
7.	TIE PLATES.	Not further manufactured after leaving our works.
8.	RAILS.	Not further manufactured after leaving our works—except for small tonnage to makers of Frogs, Switches, etc., and crossings for the Railways.
9.	PIG IRON.	Cast Iron Pipe, Pipe Fittings, Valves, Tees, Elbows, etc., Cast Iron Washers, Miscellaneous Castings of all kinds, Municipal Castings, Lamp Posts, Hydrants, Road Rollers, Manholes, Gullies, Water Troughs, etc.—Household Stoves, Radiators, Washing Machines, Sewing Machines, Lawn Mowers, Irons, etc.—Agricultural and Dairy Plows, Binders, Threshers, etc.—Street Railway Castings, Steam Railway Castings, Pulp and Paper Machinery, Mining Machinery, Industrial Machinery, Logging and Lumber Machinery, Power and Transmission, Electrical Equipment, etc., etc.

# HISTORY OF TARIFF ON CERTAIN IRON AND STEEL PRODUCTS, 1897-1928

## *Pigs, Blooms and Billets.*

				2.50	1897
375	Iron in pig, and iron Kentledge	1.50	2.25	2.50	1906
		1.50	2.50	2.50	1914
445b	Iron in pigs when imported for use exclusively by manufacturers in their own factories in the manufacture of goods enumerated in items 445, 446, 446b, 447b, 448 and 591.	Free	Free	Free	1924
376	Iron or steel billets weighing not less than 60 lbs. per lineal yard, ingots, cogged ingots, blooms, slabs, puddled bars and hoops or other forms, n.o.p. less finished than iron or steel bars but more advanced than pig iron, except castings.			2.00	1897
		1.50	2.25	2.50	1906
378	.....steel billets n.o.p.....	4.25	6.00	7.00	1906

## *Hoops, Bands and Strips.*

378	Rolled iron or steel hoop, band, scroll or strip, 12 inches or less in width, No. 13 gauge or thicker, n.o.p.	\$4.25	6.00	\$7.00	1906
384	Rolled iron or steel hoop, band, scroll or strip, No. 14 gauge and thinner.....galvanized or coated with other metal or not, n.o.p.	Free	5%	5%	1906
		7½%	12½%	12½%	1919

- 477 Steel of No. 12 gauge and thinner, but not thinner than No. 30 gauge for the manufacture of buckle clasps, bed fasts, furniture casters and ice creepers, imported by the manufacturers of such articles for use exclusively in the manufacture of such articles in their own factories. Free Free Free 1897
- 476a Steel of No. 20 gauge and thinner but not thinner than No. 30 gauge for the manufacture of phonograph motor springs when imported by the manufacturers of phonograph motor springs for use exclusively in the manufacture of such articles in their own factories. Free Free Free 1924
- 476 Steel of No. 20 gauge and thinner but not thinner than No. 30 gauge for the manufacture of corset steels, clock springs, and shoe shanks, when imported by manufacturers of such articles for use exclusively in the manufacture of such articles in their own factories. Free Free Free 1897
- 478a Iron or steel bands, strips or sheets, No. 14 gauge or thinner, coated, polished, or not, and rolled iron or steel sections, not being ordinary square, flat or round bars, when imported by manufacturers of saddlery hardware and hames, for use exclusively in the manufacture of such articles in their own factories. Free 5% 5% 1906  
Free Free Free 1914

386	Rolled iron or steel, and cast steel in bars, bands, hoops, scroll, strip, sheet or plate of any size, thickness or width, and steel blanks for the manufacture of milling cutters, when of greater value than 3½ cents per lb.	Free	5%	5%	1897
		7½%	12½%	12½%	1919
		5%	12½%	12½%	1923
384a	Rolled iron or steel hoop, band, scroll or strip, No. 14 gauge and thinner, and rolled iron or steel sheet, imported by manufacturers for use in their own factories in the manufacture of galvanized iron or steel hoop, band, scroll, strip or sheet.	(New Item)			
		Free	Free	Free	1919
378a	Rolled hoop iron or hoop steel galvanized, No. 12 and 13 gauge.	\$4.25	\$7.00	\$7.00	1914
384b	Rolled iron or steel hoop, band, scroll or strip, in the coil, No. 12 gauge and thinner, when imported by manufacturers for use in their own factories for the manufacture of cold rolled iron or steel.	Free	Free	Free	1923
767	Drawn iron or steel hoop, band, scroll or strip, No. 14 gauge and thinner, galvanized or coated with other metal or not, imported by manufacturers of mats for use in such manufacture in their own factories.	Free	5%	5%	1912
476	Steel of No. 20 gauge and thinner but not thinner than No. 30 gauge for the manufacture of corset steels, clock springs and shoe shanks, imported by manufacturers of such articles for use exclusively in the manufacture of such articles in their own factories.	Free	Free	Free	1906



780	Rolled iron or steel sheets and strips, hardened and tempered or ground, not further manufactured than cut to shape, without indented edges, when imported by manufacturers of hand saws for use in the manufacture of such saws in their own factories.	Free	1897				
		7½%	12½%	12½%	1924		
473	Steel, rolled for saws and straw cutters, not tempered or ground nor further manufactured than cut to shape without indented edges.	Free	1897				
		Free	Free	Free	1906		
<i>Bars, including Rails.</i>							
378	Bar iron or steel, rolled whether in coils, bundles, rods or bars, comprising rounds, ovals, squares and flats.	7.00	1897				
		\$4.25	\$6.00	\$7.00	1906		
393	Hammered, drawn or cold rolled iron or steel bars or shapes, n.o.p.	30%	1897				
		20%	27½%	30%	1906		
388	Iron and steel railway bars or rails of any form, punched or not, &c.	30%	1897				
		\$4.50	\$6.00	\$7.00	1906		
386	Rolled iron or steel and cast steel in bars when of greater value than 3½ cents per pound.	5%	1897				
		Free	5%	5%	1906		
		7½%	12½%	12½%	1919		
		5%	12½%	12½%	1923		
393a	Shafting round, polished steel, in bars not exceeding 2½ in. in diameter.	17½%	22½%	25%	1906		
393	Steel shafting turned, compressed or polished.	30%	1897				
		20%	27½%	30%	1906		

722	Flat steel cold rolled, not over $\frac{1}{2}$ inch thick, for the manufacture of cups and cones for ball bearings.	Free	5%	5%	1908
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445b	Rolled iron and rolled steel when imported for use exclusively by manufacturers in their own factories in the manufacture of goods enumerated in tariff items, 445, 446, 446b, 447b, 448 and 591.	Free	Free	Free	1924
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387a	Steel in bars or sheets, to be used exclusively in the manufacture of shovels, when imported by manufacturers of shovels.	\$2.00	\$2.75	\$3.00	1906
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*Plates and Sheets.*

384	Canada plates; Russia iron; terne plates and rolled sheets of iron or steel coated with zinc spelter or other metal, of all widths or thicknesses, n.o.p.			5%	1897
		Free	5%	5%	1906
		$7\frac{1}{2}\%$	$12\frac{1}{2}\%$	$12\frac{1}{2}\%$	1919

384c	Iron sheets or plates coated with tin, of a class or kind not made in Canada.			5%	1897
		Free	5%	5%	1906
		$7\frac{1}{2}\%$	$12\frac{1}{2}\%$	$12\frac{1}{2}\%$	1919
		Free	5%	5%	1926

381	Rolled iron or steel plates, not less than 30 inches in width and not less than $\frac{1}{4}$ inch in thickness, n.o.p.			10%	1897
		\$2.00	\$2.75	\$3.00	1906

382	Rolled iron or steel sheets or plates, sheared or unsheared, or skelp iron or steel, sheared or rolled in grooves, n.o.p.			\$7.00	1897
		\$4.25	\$6.00	\$7.00	1906

384	Rolled iron or steel sheets, polished or not, No. 14 gauge and thinner, n.o.p.			5%	1897
		Free	5%	5%	1906
		7½%	12½%	12½%	1919
454	Sheets, iron or steel, corrugated, not galvanized.			30%	1897
		20%	27½%	30%	1906
454	Sheets, iron or steel, corrugated, galvanized.			30%	1897
		20%	27½%	30%	1906
384	Sheets, flat of galvanized iron or steel.			5%	1897
		Free	5%	5%	1906
		7½%	12½%	12½%	1919
380	Boiler plate of iron or steel, not less than 30 inches in width, and not less than ¼ inch in thickness, for use exclusively in the manufacture of boilers.	Free	Free	Free	1906
730	Sheets or plates of steel, cold rolled, sheared edges, over 14 gauge, not less than 1½ inches wide, for the manufacture of mower bars, hinges, typewriters and sewing machines.	5%	7½%	10%	1909
746	Skelp iron or steel, sheared or rolled in grooves, not over 4¾ inches wide, for the manufacture of rolled iron tubes not over 1½ inches in diameter.	Free	Free	Free	1911
383	Skelp iron or steel, sheared or rolled in grooves, imported by manufacturers of wrought iron or steel pipe, for use exclusively in the manufacture of wrought iron or steel pipe in their own factories.			5%	1897
		5%	5%	5%	1906

475	Steel, crucible sheet, 11 to 16 gauge, 2½ to 18 inches wide, for the manufacture of mower and reaper knives, when imported by manufacturers thereof for use exclusively in the manufacture of such articles in their own factories.	Free	1897
		Free	Free
		Free	1906

478	Steel No. 24 and 17 gauge in sheets 63 inches long and from 18 to 32 inches wide, when imported by manufacturers of tubular bow sockets for use exclusively in the manufacture of such articles in their own factories.	Free	1897		
		Free	Free	Free	1906

*Rods.*

471	Rolled round wire rods in the coil, of iron or steel, not over $\frac{3}{8}$ of an inch in diameter, when imported by manufacturers of wire for use in making wire in the coil in their own factories.	Free	1897
		Free	1906
		\$2.25	1914
		\$3.50	
		\$3.50	

471a	Rolled round rods in the coil, of iron or steel, for the manufacture of chains.	2.25	3.50	3.50	1914
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729	Rolled iron and rolled steel nail rods under half an inch in diameter for the manufacture of horse-shoe nails	Free	Free	Free	1909
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Wire.

480	Barbed fence wire of iron or steel.			Free	1898
		Free	Free	Free	1906

454	Wire Bale Ties.			30%	1897
		20%	27½%	30%	1906



405	Wire, buckthorn strip fencing, woven wire fencing and wire fencing of iron or steel n.o.p., not to include woven wire or netting made from wire smaller than No. 14 gauge nor to include fencing of wire larger than No. 9 gauge.	15%	1897
		10% 12½%	15% 1906
409	Wire cloth, or woven wire and wire netting, of iron or steel.	30%	1897
		20% 27½%	30% 1906
403	Wire, crucible cast steel, valued at not less than six cents a pound.	Free	1897
		5% 5%	1906
404	Wire, curved or not, galvanized iron or steel, Nos. 9, 12 or 13 gauge with variations not exceeding four one-thousandths of an inch, and not for use in telegraph or telephone lines.	Free	1898
		Free	1906
		Free Free Free	1914
408	Wire rope, stranded or twisted wire, clothes lines, picture or other twisted wire and wire cables n.o.p.	25%	1897
		17½% 22½%	25% 1906
519	Wire screens, doors and windows.	30%	1897
		20% 27½%	30% 1906
407	Wire, single or several, covered with cotton, linen, silk, rubber or other material, including cable so covered.	30%	1897
		20% 27½%	30% 1906
406	Wire of iron or steel, all kinds, n.o.p.	20%	1897
		15% 17½%	20% 1906

480	Steel strips and flat steel wire when imported into Canada by manufacturers of buckthorn and plain strip fencing, for use exclusively in the manufacture of such articles in their own factories.			Free	1898
		Free	Free	Free	1906
481	Steel wire, Bessemer soft drawn spring, of Nos. 10, 12, and 13 gauge, respectively, and homo steel spring wire of Nos. 11 and 12 gauge, respectively, when imported by manufacturers of wire mattresses, to be used exclusively in their own factories in the manufacture of such articles.			Free	1897
		Free	Free	Free	1906
479	Steel wire, flat of No. 16 gauge or thinner, imported by manufacturers of crinoline or corset wires and dress stays, for use exclusively in the manufacture of such articles in their own factories.			Free	1897
		Free	Free	Free	1906
403a	Wire rope for use exclusively for rigging of ships and vessels.			Free	1897
		Free	Free	Free	1906
403a	Wire, steel, valued at not less than 2¾ cents per pound when imported by manufacturers of rope for use exclusively in the manufacture of rope.				
		Free	Free	Free	1906

*Iron and Steel Goods Subject to Drawback for  
Home Consumption*

Goods	Subject to drawback when used in the manufacture of	
1002 Rolled iron, rolled steel and pig iron.	Mowing machines, reapers, binders and attachments for binders. Cancelled.	99% 1906 1924
1005 Steel under one-half inch in diameter or under one- half inch square.	Locks and knobs.	99% 1906
1006 Steel cut to shape.	Spoons.	99% 1906
1007 Flat spring steel, steel bil- lets, steel axles bars.	Springs and axles for vehi- cles other than railway or tramway vehicles.	99% 1906
1008 Spiral spring steel.	Railway spiral spring.	99% 1906
1009 Steel.	Cutlery, files, augers, auger bits, bit braces, hammers, axes, hatchets, scythes, reap- ing hooks, hoes, hay or straw knives, agricultural forks, hand-rakes, skates, stove trimmings, bicycle chain and windmills.	99% 1906
1015 Rolled angles of iron or steel, nine and ten gauge, not over 1½ inches wide.	Bedsteads.	99% 1906
1017 Lapwelded tubing of iron or steel, not less than 4 inches in diameter, thread- ed and coupled or not.	Used in casing water, oil or natural gas wells or in trans- mission of natural gas.	50% 1914

Goods	Subject to drawback when used in the manufacture of	
1018 Machinery imported after July 1st, 1906, and prior to July 1st, 1908, and other articles not machinery.	Tinplate, terneplate and black sheets.	99%  1906
1020 Galvanized wire netting of a class or kind not made in Canada.	Used in traps for the fish- eries.	99% 1906
1021 Rolled round wire rods in the coil of iron or steel, not over three-eighths of an inch in diameter.	Galvanized iron or steel wire Nos. 9, 12 and 13 gauge.	99% 1914
1023 Rolled hexagon iron or steel bars.	Cold drawn or cold rolled iron or steel bars.	99% 1914
1027 Material.	Articles under items 445, 446, 446b, 447b, 448, and 591 (agricultural imple- ments), made by manufac- turers of malleable iron castings.	80% 1924
1028 Materials including all parts.	Goods enumerated in item 447a.	99% 1922
1036 Bar iron or steel, rolled, whether in coils or bars, one and one-eighth of an inch in diameter and over.	Goods enumerated in item 410 (chain).	99% 1924
1039 Materials, including all parts not finished.	Goods enumerated in items 447 and 448b (agricultural and road-making machi- nery).	30% 1924



Goods	Subject to drawback when used in the manufacture of	
1045 Materials	Tubes enumerated in item 397 (tubes less than 1½ inches in diameter).	
		99% 1925
1047 Materials.	Goods enumerated in item 469a (well drilling machinery).	
		99% 1925
1048 Materials, including all parts.	Goods enumerated in item 453e (engines for fishermen)	
		50% 1925
1055 Materials, including all parts.	Goods enumerated in items 438a and 438b (automobiles) not paid unless 50% of cost of producing finished article is incurred in Canada	
		25% 926
1056 Materials.	Rolled iron or steel under item 445b (materials for agricultural implements).	
		99%
1057 Materials.	Articles under item 445a.	
		80%
1058 Materials.	Articles under items 453b and 453c.	
		60%
1059 Materials.	Articles under item 460b.	
		70%
1062 Materials, including all parts.	Bit braces, marking gauges of metal or wood, levels of metal or wood, planes or hand tool scrapers of metal or wood, spoke shaves, try-squares and bevels with metal or wood handles. Provided 50% of the cost has been incurred in Canada.	
		60% 1928

Goods	Subject to drawback when used in the manufacture of
1063 Materials, including all parts.	Engines for aircraft. Provided after July 1, 1930, 40% of cost has been incurred in Canada. 50% 1928
1064 Seamless iron or steel tubing over 4 inches in diameter.	Used in transmission of natural gas. 50% 1928















